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FM USEU BRUSSELS

TO RUEHC/SECSTATE WASHDC IMMEDIATE

INFO RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY

RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS COLLECTIVE PRIORITY

RUEHBJ/AMEMBASSY BEIJING PRIORITY

RUEHBY/AMEMBASSY CANBERRA PRIORITY

RUEHNE/AMEMBASSY NEW DELHI PRIORITY

RUEHN/AMEMBASSY OSLO PRIORITY

RUEHOT/AMEMBASSY OTTAWA PRIORITY

RUEHUL/AMEMBASSY SEOUL PRIORITY

RUEHKO/AMEMBASSY TOKYO PRIORITY

RUEHWL/AMEMBASSY WELLINGTON PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

S E C R E T SECTION 01 OF 02 BRUSSELS 001233

NOFORN

SIPDIS

STATE FOR EAP/MLS LAURA SCHEIBE

E.O. 12958: DECL: 08/06/2018

TAGS: PGOV ETRD EAID BM EUN

SUBJECT: EU RESPONDS ON NEW SANCTIONS, FUTURE OF BURMA

REF: STATE 83719

Classified By: Political MC Chris Davis for reasons 1.4 (b) and (d)

¶11. (S//NF) SUMMARY: Poloff delivered reftel points on August 6 to the head of unit for South-East Asia at European Commission DG RELEX, and to the new South-East Asia desk officer at the Council Secretariat. They welcomed the JADE Act legislation and appreciated receiving our list of newly designated entities. Our Commission contact said that he would relay our list of new designees to Commission sanctions implementers and expected it would be taken up early this fall by RELEX counselors at the Council. Commission President Barroso has reportedly taken a new interest in Burma sanctions and has recently sought briefings on the subject. Our Council contact gave a readout of a recent breakfast meeting between HiRep Solana and President Ramos-Horta of Timor-Leste in which Ramos-Horta argued strongly against sanctions, which we will report septel. END SUMMARY.

European Commission Prepares Fall Deliberations

¶12. (C) Poloff delivered reftel points on August 6 to Seamus Gillespie, head of unit for South-East Asia at DG RELEX. He thought that the JADE act brought U.S. sanctions on gemstones into line with the EU's own policies, and welcomed the new U.S. designations as an opportunity to "re-focus" or fine tune the current sanctions regime. Gillespie reports that the Germans are pressing hard to review the annex to last October's Common Position this fall. The annex contains EU sanctions designations, and Germany (along with other member states) is interested in streamlining and better "targetting" the sanctions. Poloff explained that the United States welcomes updating of the EU annex to include our new designees, but said that we could not support the removal of sanctions from any previous designees. (Note: The EU process will begin with Commission sanctions experts, who will prepare a new annex for member state RELEX counselors to approve this fall. Once RELEX counselors have approved the annex, it will go to COREPER for final approval. End note.) Gillespie believes that France currently places a low priority on Burma compared to other pressing issues. According to Gillespie, no matter how much the Germans push to update the Annex, the French Presidency ultimately controls the

Council agendas.

¶13. (C) Gillespie said that the Commission is currently examining its assistance to Burma and will send a report forward to Commissioner Ferrero-Waldner in early September. The report will contain recommendations that the EU remain involved in relief-phase operations in Burma for at least another year, but will caution that to prevent waste, ECHO and member state foreign assistance agencies need to be much more vigilant about how they distribute funds.

¶14. (S//NF) Gillespie (protect) revealed that Commission President Barroso, has recently taken much more interest in Burma. Barroso's cousin, a surgeon who volunteers for a few weeks each year with Mdecins Sans Frontiers n Burma, recently told Barroso that the interational sanctions are ineffective and primarily harm the Burmese people. As a result, Barroso has requested briefings on this issue. Poloff offered to provide information on the efficacy of sanctions, if it would be useful, to aid in preparing these briefings.

¶15. (C) Gillespie also brought up the recent Preah Vihear crisis on the Thai and Cambodian border and inquired about U.S. involvement in the issue. He said that the Thai Government has approached France to act as a mediator in the dispute, while at the same time disclosing that Cambodia approached the EU during the week of July 28th to request EU mediation. Gillespie said that neither the EU nor France has decided how to respond to the requests.

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European Council Secretariat Supports U.S. Move

¶16. (C) On August 6, Poloff delivered information on new legislation on Burmese gemstones to Leo Schulte-Nordholt, the new South-East Asia desk officer at the European Council Secretariat (Note: Schulte-Nordholt was formerly the OSCE/Council of Europe desk officer. End note.). Schulte saw eye-to-eye with the United States, and viewed the new U.S. legislation banning the import of Burmese gemstones as a move to maintain the relevance of existing sanctions rather than an expansion of sanctions. He will examine the list of entities designated by President Bush and make recommendations to his colleagues about parallel EU actions.

SILVERBERG

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